

Budgeting for Results

October 12, 2011

I wish to make two points today.

One – to make BFR truly work, the state of Illinois needs to remove some of the artificial barriers to results oriented contracting and performance. Too often both the contracting and the reporting processes are oriented to costs and not to performance.

One specific example of this is the application of the Illinois Grants Funds Recovery act to fee for service residential and foster care contracting with the IL DCFS.

Agencies are often asked to render or even expand services – to take risks – to provide services to wards of the state of IL. The key is that those services involve risk. If an agency incurs a financial loss, that is their problem.

If, through operating efficiencies or via other operating improvements or economies, the agency receives incomes greater than its expenses, the agency must return those funds to the department or otherwise use them within a very narrow range of options.

Heads you lose – tails you don't win either.

The second point is that the IL DCFS has proven example of how the BFR process should work – performance based foster care. That process improved results – increased permanency – returning home or adoptions – for literally thousands of kids in IL.

Coupled with the removal of the barriers above, that program should be a model – with modifications such as financial incentives – for other initiatives in IL.